



**Dan Caplice**  
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To: Bradley Benning cc: funk, cgettleman  
Subject: R Lavin & Sons, Inc - AOC Status Report

As we discussed last month during our telephone conversation, there is still no real change at the facility with respect to the items enumerated in Section V.2 and V.2.1 of the Order. As you are aware, the cause of the delay is lack of money to complete the Work items. As previously agreed by R. Lavin & Sons and the government, the Work listed in the Order was to be funded by a portion of the proceeds from a settlement with a former R. Lavin insurance company, Insurance Carrier No. 5. Unfortunately, this settlement was delayed at the 11<sup>th</sup> hour when the Metropolitan Water Reclamation District of Greater Chicago objected because they felt the settlement was too small. A hearing regarding the matter was held at the District Court on Thursday, February 27, 2003. It is my understanding that the Court has not yet issued its ruling on the matter. Once funding is available, we will prepare a Work Plan as well as a Health and Safety Plan and submit those to the Agency as required by the Order. In addition, once the funding is available, we will proceed to expeditiously complete as much of the work in Section V.2 and V.2.1 as possible.

Even though there has been no money available, the following Work has been completed to date:

1. The majority of the slag that was stockpiled at the property has been transported to Colonial Metals in Ohio where the metal extraction process that was started by R. Lavin was completed. This work has essentially been paid for by barter. For the most part, Colonial has taken the slag and processed it in return for the rights to the metals that are extracted. The remainder of the slag should be shipped off-site to Colonial within the next 4 to 8 weeks.
2. Last Fall, R. Lavin awarded the transportation and disposal of the approximately 2.1 million gallons of water stored in the ASTs to a Wisconsin waste disposal firm, ECI. The Agreement between R. Lavin and ECI stipulates that the costs of all transportation and disposal of the water will be paid for with money obtained from the settlement with Insurance Carrier No.5. The ECI Agreement further stipulates that none of the R. Lavin general operating funds will be utilized for payment of the work. ECI elected to begin the work before any money was received from the Carrier No. 5 settlement. Over approximately a two month period last Fall, the company transported approximately two thirds of the water off-site to the disposal facility. When the cold weather hit in December the shipments stopped. Because the funding of the settlement has been delayed, ECI has notified R. Lavin that no further disposal will occur until the actual money is available.



Until the insurance settlement dispute with the District is resolved, no additional site remediation work will be completed. In the event that this matter is resolved, I will contact you promptly regarding a schedule for the remaining work. Otherwise, as I noted in our telephone conversation last month, I will forward a short status report to you approximately the first Monday of each month. If you need me to send this to any other parties, please forward their e-mail addresses to me, and I will include them on the distribution list.

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